



DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-7062-N-14]

Privacy Act of 1974; System of Records

AGENCY: Office of the Assistant Secretary for Housing- Federal Housing Commissioner, HUD.

ACTION: Notice of a New System of Records.

SUMMARY: Pursuant to the provisions of the Privacy Act of 1974, as amended, the Department of Housing and Urban Development (HUD) is issuing a public notice of its intent to create the Office of Single Family Program Development Privacy Act system of records, “Credit Alert Reporting Verification System (CAIVRS)”, CAIVRS was developed by the HUD in June 1987 as a shared database of defaulted Federal debtors and enables processors of applications for Federal credit benefit to identify individuals who are in default or have had claims paid on direct or guaranteed Federal loans or are delinquent on other debts owed to Federal agencies. The purpose of this system is to enable program agencies to prescreen their borrowers and to broaden the Federal Government's base in determining an applicant's creditworthiness. Some of these factors include: verifying loan applicants are not in default or delinquent on direct or guaranteed loans of participating Federal programs, providing authorized users with a means to prescreen applicants for Federal credit benefit in order to avoid extending benefits to individuals who are considered credit risks, and demonstrating to the public the importance of meeting Federal obligations and its commitment to collecting delinquent debt. CAIVRS is included in the HUD’s inventory of record systems.

DATES: Comments will be accepted on or before **[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**. This proposed action will be effective on the

date following the end of the comment period unless comments are received which result in a contrary determination.

ADDRESSES: You may submit comments identified by docket number by any of the following methods:

Federal e-Rulemaking Portal: <http://www.regulations.gov>. Follow the instructions provided on that site to submit comments electronically.

Fax: 202-619-8365.

Email: www.privacy@hud.gov.

Mail: Attention: Ladonne White, Department of Housing and Urban Development, 451 Seventh Street, SW, Room 10139, Washington, DC 20410-0001.

Instructions: All submissions received must include the agency name and docket number [Insert Docket Number] for this rulemaking. All comments received will be posted without change to <http://www.regulations.gov>, including any personal information provided.

Docket: For access to the docket to read background documents or comments received, go to <http://www.regulations.gov>.

FOR FURTHER INFORMATION CONTACT: Ladonne White; 451 Seventh Street, SW, Room 10139; Washington, DC 20410-0001; telephone number 202-708-3054 (this is not a toll-free number). Individuals who are hearing- or speech-impaired may access this telephone number via TTY by calling the Federal Relay Service at 800-877-8339 (this is a toll-free number).

SUPPLEMENTARY INFORMATION: Single Family Program Development maintains the “CAIVRS (F57)” system of records. The purpose of this system is to enable program agencies to prescreen their borrowers and to broaden the Federal Government's base in determining an applicant's creditworthiness. Some of these factors include: verifying loan applicants are not in

default or delinquent on direct or guaranteed loans of participating Federal programs, providing authorized users with a means to prescreen applicants for Federal credit benefit in order to avoid extending benefits to individuals who are considered credit risks, and demonstrating to the public the importance of meeting Federal obligations and its commitment to collecting delinquent debt. CAIVRS is included in the HUD's inventory of record systems. The system contains borrowers with delinquent Federal debt and allows Federal agencies to reduce the risk of future credit default to Federal insured or guaranteed loan programs.

SYSTEM NAME AND NUMBER: Credit Alert Reporting Verification System (CAIVRS) – HUD/PIH 01.

SECURITY CLASSIFICATION: Unclassified.

SYSTEM LOCATION: CAIVRS is located and operated at NASA's John C. Stennis Space Flight Center, located at 1100 Balch Boulevard, Stennis Space Center, MS 39529-0001.

SYSTEM MANAGER(S): Director, Office of Single-Family Program Development, United States Department of Housing and Urban Development, 451 7th ST, SW, Washington, DC 20410-1000. Elissa Saunders (202-402-2378 | Elissa.O.Saunders@hud.gov)

AUTHORITY FOR MAINTENANCE OF THE SYSTEM: Section 203, National Housing Act, P.L. 73-479 (12 U.S.C. § 1709); Section 255, National Housing Act, P.L. 73-479 (12 U.S.C. § 1701z-20); Section 165, Housing and Community Development Act of 1987, P.L. 100-242 (42 U.S.C. § 3543); Section 31001, Debt Collection Act of 1996 as amended, P.L. 104-134 (31 U.S.C. § 7701); and Section 31001, Debt Collection Act of 1996 as amended, P.L. 104-134 (31 U.S.C. § 3720B). Office of Management and Budget (OMB) Circulars A-129 (Policies for Federal Credit Programs and Non-Tax Receivables); the Budget and Accounting Acts of 1921 and 1950, as amended; the Debt Collection Act of 1982, as amended; the Deficit Reduction Act of 1984, as amended, and the Debt Collection Improvement Act of 1996, as amended.

PURPOSE(S) OF THE SYSTEM: The purpose of CAIVRS is to ensure participating Federal agencies and their authorized lenders will comply with the legal requirement to verify individuals applying for a federally backed loan, or other aid, are not presently delinquent on another Federal obligation. CAIVRS is a shared, inter-agency database managed by HUD where participating agencies are required to report delinquent federal debt.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM: Individual borrowers who have applied for Federal housing loans and have fallen delinquent.

CATEGORIES OF RECORDS IN THE SYSTEM: Full Name, Date of Birth, Email Addresses, Employee Identification Number, Home Address, Mother's Maiden Name, Social Security Number/Taxpayer ID Number (SSNs and TINs), FHA Case Number, and Work Address.

RECORD SOURCE CATEGORIES: F17C-FHA Connection (User ID and Password management), F71-Debt Collection and Asset Management System - Title I, F71A-Debt Collection and Asset Management System - Generic Debt, P278-Lender Electronic Assessment Portal, A75R - Financial Data Mart, VA-Department of Veteran Affairs Accounts Receivable Records 88VA244, SBA-Small Business Administration Disaster Loan Case File and Loan System, ED- Department of Education Common Services for Borrowers , USDA-United States Department of Agriculture Applicant, Borrower, Grantee, or Tenant File (Rural Development), DOJ- Department of Justice Debt Collection Enforcement System.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND PURPOSES OF SUCH USES:

In addition to those disclosures generally permitted under 5 U.S.C. 552a(b) of the Privacy Act of 1974, as amended, the records contained herein may specifically be disclosed outside the DoD as a routine use pursuant to 5 U.S.C. 552a(b)(3) as follows:

- (A). To a congressional office from the record of an individual, in response to an inquiry from the congressional office made at the request of that individual.
- (B) To Federal, State, and local agencies, their employees, and agents to conduct computer matching programs as regulated by the Privacy Act of 1974, as amended (5 U.S.C. 552a)
- (C) To Federal agencies, non-Federal entities, their employees, and agents (including contractors, their agents or employees; employees or contractors of the agents or designated agents); or contractors, their employees or agents with whom HUD has a contract, service agreement, grant, cooperative agreement, or computer matching agreement for: 1) detection,

prevention, and recovery of improper payments; 2) detection and prevention of fraud, waste, and abuse in major Federal programs administered by a Federal agency or non-Federal entity; 3) detection of fraud, waste, and abuse by individuals in their operations and programs, but only if the information shared is necessary and relevant to verify pre-award and prepayment requirements before the release of Federal funds, prevent and recover improper payments for services rendered under programs of HUD or of those Federal agencies and non-Federal entities to which HUD provides information under this routine use.

(D) To contractors, grantees, experts, consultants, Federal agencies, and non-Federal entities, including, but not limited to, State and local governments and other research institutions or their parties, and entities and their agents with whom HUD has a contract, service agreement, grant, or cooperative agreement, when necessary to accomplish an agency function, related to a system of records, for the purposes of statistical analysis and research in support of program operations, management, performance monitoring, evaluation, risk management, and policy development, or to otherwise support the Department's mission. Records under this routine use may not be used in whole or in part to make decisions that affect the rights, benefits, or privileges of specific individuals. The results of the matched information may not be disclosed in identifiable form.

b) To a recipient who has provided the agency with advance, adequate written assurance that the record provided from the system of records will be used solely for statistical research or reporting purposes. Records under this condition will be disclosed or transferred in a form that does not identify an individual.

(E) To contractors, grantees, experts, consultants and their agents, or others performing or working under a contract, service, grant, or cooperative agreement with HUD, when necessary to accomplish an agency function related to a system of records. Disclosure requirements are limited to only those data elements considered relevant to accomplishing an agency function.

Individuals provided information under these routine use conditions are subject to Privacy Act requirements and disclosure limitations imposed on the Department.

(F) To contractors, experts, and consultants with whom HUD has a contract, service agreement, or other assignment of the Department, when necessary to utilize data to test new technology and systems designed to enhance program operations and performance.

(G) To appropriate agencies, entities, and persons when (1) HUD suspects or has confirmed there has breached the system of records; (2) HUD has determined that because of the suspected or confirmed breach there is a risk of harm to individuals, HUD (including its information systems, programs, and operations), the Federal Government, or national security; and (3) the disclosure made to such agencies, entities, and persons is reasonably necessary to assist in connection with HUD's efforts to respond to the suspected or confirmed breach or to prevent, minimize, or remedy such harm.

(H) To another Federal agency or Federal entity, when HUD determines that information from this system of record is reasonably necessary to assist the recipient agency or entity in (1) responding to a suspected or confirmed breach or (2) preventing, minimizing, or remedying the risk of harm to individuals, the recipient agency or entity (including its information systems, programs, and operations), the Federal government, or national security resulting from a suspected or confirmed breach.

(I)a) To appropriate Federal, State, local, tribal, or governmental agencies or multilateral governmental organizations responsible for investigating or prosecuting the violations of, or for enforcing or implementing, a statute, rule, regulation, order, or license, where HUD determines that the information would help to enforce civil or criminal laws.

b) To third parties during a law enforcement investigation, to the extent to obtain information pertinent to the investigation, disclosed such information is appropriate to the proper performance of the official duties of the officer making the disclosure.

(J) a) To a court, magistrate, administrative tribunal, or arbitrator while presenting evidence, including disclosures to opposing counsel or witnesses in civil discovery, litigation, mediation, or settlement negotiations; or in connection with criminal law proceedings; or in response to a subpoena or to a prosecution request when such records to be released are specifically approved by a court provided order.

b) To appropriate Federal, State, local, tribal, or governmental agencies or multilateral governmental organizations responsible for investigating or prosecuting the violations of, or for enforcing or implementing, a statute, rule, regulation, order, or license, where HUD determines that the information would help to enforce civil or criminal laws.

c) To third parties during a law enforcement investigation to the extent to obtain information pertinent to the investigation, provided disclosure is appropriate to the proper performance of the official duties of the officer making the disclosure.

d) To another agency or to an instrumentality of any governmental jurisdiction within or under the control of the United States for a civil or criminal law enforcement activity if the activity is authorized by law, and if the head of the agency or instrumentality has made a written request to the agency that maintains the record, specifying the particular portion desired and the law enforcement activity for which the record is sought.

(K) To any component of the Department of Justice or other Federal agency conducting litigation or in proceedings before any court, adjudicative, or administrative body, when HUD determines that the use of such records is relevant and necessary to the litigation and when any of the following is a party to the litigation or have an interest in such litigation: (1) HUD, or any component thereof; or (2) any HUD employee in his or her official capacity; or (3) any HUD employee in his or her individual capacity where the Department of Justice or agency conducting the litigation has agreed to represent the employee; or (4) the United States, or any agency thereof, where HUD determines that litigation is likely to affect HUD or any of its components.

L) To match system users for security purposes. User-provided PII may be shared with HUD departmental enforcement offices and other Federal, state, local or tribal law enforcement agencies if there is reason to believe that a user provided false information to obtain access to the system, and that providing such information would help enforce civil or criminal laws.

(M)With the United States Department of Veterans Affairs (VA), to pre-screen applicants to determine if they are presently delinquent on any Federal debt reported by a participating agency, and to determine if they are eligible for a new federally backed loan or grant.

With the United States Small Business Administration (SBA) to pre-screen applicants to determine if they are presently delinquent on any Federal debt reported by a participating agency, and to determine if they are eligible for a new federally backed loan or grant.

With the United States Department of Education to pre-screen applicants to determine if they are presently delinquent on any Federal debt reported by a participating agency, and to determine if they are eligible for a new federally backed loan or grant.

With the United States Department of Agriculture (USDA) to pre-screen applicants to determine if they are presently delinquent on any Federal debt reported by a participating agency, and to determine if they are eligible for a new federally backed loan or grant.

With the United States DOJ to pre-screen applicants to determine if they are presently delinquent on any Federal debt reported by a participating agency, and to determine if they are eligible for a new federally backed loan or grant.

POLICIES AND PRACTICES FOR STORAGE OF RECORDS: Electronic only.

POLICIES AND PRACTICES FOR RETRIEVAL OF RECORDS:

Name and Social Security Number/Taxpayer ID Number (SSNs and TINs).

POLICIES AND PRACTICES FOR RETENTION AND DISPOSAL OF RECORDS:

All records related to Federal Housing Administration (FHA) Mortgage Credit Alert report will be destroyed according to HUD Schedule Appendix 20 Single Family Home Mortgage Insurance Program Records, item 13B6 which states the following, destroy when superseded or obsolete.

All records related to FHA Mortgage Credit Verification will be destroyed according to HUD Schedule Appendix 5 Technical Support Records, item 7 which states the following, destroy when superseded or obsolete.

ADMINISTRATIVE, TECHNICAL, AND PHYSICAL SAFEGUARDS: CAIVRS and its data are located on centralized servers within Federal facilities with access control in place.

Physical controls include cypher and combination locks, key card-controlled access, security guards, closed circuit TV, identification badges, and safes. Administrative controls include encryption of back-up data, back-ups secured off-site, methods to ensure only authorized users have access to PII, periodic security audits, regular monitoring of system users' behavior.

Technical controls include encryption of Data at Rest and in Transit, firewalls at HUD and each reporting agency, role-based access controls, user IDs and passwords, Least Privileged access, elevated and/or administrative privileged access, PIV cards, intrusion detection systems.

Additional measures to safeguard the system include role-based Privacy Act training required for HUD personnel responsible for CAIVRS system program management, IT security monitoring by the US Department of Housing and Urban Development and the US Department of Homeland Security.

RECORD ACCESS PROCEDURES:

Individuals seeking notification of and access to their records in this system of records may submit a request in writing to the Department of Housing and Urban Development, Attn: FOIA Program Office, 451 7th Street SW, Suite 10139, Washington, DC 20410-0001. or by emailing foia@hud.gov. Individuals must furnish the following information for their records to be located:

1. Full name.

2. Signature.
3. The reason why the individual believes this system contains information about him/her.
4. The address to which the information should be sent.

CONTESTING RECORD PROCEDURES:

Same as the Notification Procedures below

NOTIFICATION PROCEDURES:

Any person wanting to know whether this system of records contains information about him or her should contact the System Manager. Such person should provide his or her full name, position title and office location at the time the accommodation was requested, and a mailing address to which a response is to be sent.

EXEMPTIONS PROMULGATED FOR THE SYSTEM: N/A.

HISTORY: N/A

LaDonne White,
Chief Privacy Officer, Office of Administration

Billing Code: 4210-67

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